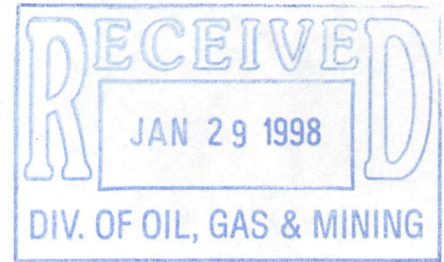# State of Utah
School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor
David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)

January 28, 1998

CERTIFIED MAIL NO. P 917 499 988

William Bown
Utah Building Stone Supply
842 West 400 North
West Bountiful, UT 84087

RE: ML 46137, ML 46786 & ML 44791

Dear Mr. Bown,

I wrote to you (Certified Mail No. P917 504 295 and P 917 504 296) on January 22, 1998, requesting that you post bonds with the Trust Lands Administration for operations conducted by the Lessee under the above numbered mineral leases. It is noted that you were also notified by the Division of Oil, Gas & Mining to post a reclamation bond. I am writing to clarify any confusion which may exist with respect to the bonding requests or requirements.

The Division of Oil, Gas & Mining has a statutory responsibility to ensure that lands which are mined in the State of Utah are reclaimed, regardless of the ownership of the lands. The bond requested by the Division of Oil, Gas & Mining is for reclamation and may not be used by the Trust Lands Administration for any other purposes incident to your trust lands mineral leases. The Trust Lands Administration is an independent state agency and has a fiduciary responsibility to ensure Lessee's compliance with all of the terms and conditions of the mineral leases, including payment of rentals and royalties which may accrue to the trust. The bonds which I requested of you on January 22, 1998, are primarily to ensure the payment of rentals and royalties and are required irrespective of any bonding requirements of the Division of Oil, Gas & Mining.

Please respond to my January 22, 1998, letters by submitting the bonds requested therein directly to the Trust Lands Administration. Failure of the Lessee to comply may result in cancellation of the above numbered mineral leases without further notice.

Sincerely,

John T. Blake
Mineral Resources Specialist

cc: D. Wayne Hedburg